REMARKS

By this amendment, claims 1-42 are pending, in which no claims are canceled, withdrawn from consideration, or newly presented. Claims 2-5, 9-12, 16-19, 23-26, 30-33, and 37-40 are currently amended. No new matter is introduced.

The Office Action mailed May 16, 2008 objected to claims 2, 9, 16, 23, 30, and 37 regarding the language "pre-defined time period," and rejected claims 3, 4, 10, 11, 17, 18, 24, 25, 31-33, 38, and 39 under 35 U.S.C. § 112, second paragraph, as being indefinite, claims 1-3, 5-10, 12-17, 19-24, 26-31, 33-38, and 40-42 as obvious under 35 U.S.C. § 103 based on *Kitchen et al.* (US 6,289,322) in view of *Smith et al.* (PC Computing article, 1992), and claims 4, 11, 18, 25, 32, and 39 as obvious under 35 U.S.C. § 103 based on *Kitchen et al.* (US 6,289,322) in view of *Smith et al.* (PC Computing article, 1992) and further in view of *Business Owner* (1995 article).

In response to the objection of claims 2, 9, 16, 23, 30, and 37 and the indefiniteness rejection of 3, 4, 10, 11, 17, 18, 24, 25, 31-33, 38, and 39, these claims have been amended accordingly. Therefore, the objection and the rejection under 35 U.S.C. §112, second paragraph, are believed to have been overcome. If, however, the Examiner disagrees, the Examiner is invited to telephone the undersigned who will be happy to work with the Examiner in a joint effort to derive mutually satisfactory claim language.

With regard to claims 7, 14, 21, 28, 35, and 42, the Office Action of May 16, 2008 questions as to what "executing an electronic funds transfer" refers. Applicant believes the term is self-explanatory, especially when taken in context with the remainder of the claims. What is being transferred are funds consistent with the language "electronic **funds** transfer." Further, the claimed electronic funds transfer is performed "in response to the step of selectively receiving the payment input." Because the parties to the electronic funds transfer are not explicitly state does not render the language indefinite. MPEP §2173.02 states that definiteness of claim

language must be analyzed, not in a vacuum, but in light of: (A) The content of the particular of the application disclosure; (B) The teachings of the prior art; and (C) The claim interpretation that would be given by one possessing the ordinary level of skill in the pertinent art at the time the invention was made.

Turning now to the rejection of claims 1-3, 5-10, 12-17, 19-24, 26-31, 33-38, and 40-42 as obvious under 35 U.S.C. § 103 based on *Kitchen et al.* in view of *Smith et al.*, Applicant respectfully traverses for the following reasons.

For example, claim 1 recites "retrieving customer invoice information that includes **an invoice due date and an invoice amount**."

At the outset, it is noted that *Kitchen et al.* nowhere discusses that invoice information taught therein includes "an invoice date and an invoice amount." The Office Action acknowledges this deficiency in *Kitchen et al.* and argues that *Kitchen et al.* "inherently includes an invoice due date and an invoice amount" (Office Action-page 6). The mere fact that a certain thing **may** result from a given set of circumstances is not sufficient to establish inherency. *In re Rijckaert*, 28 USPQ2d 1955 (Fed. Cir. 1993). The mere fact that some invoices may contain an invoice due date and an invoice amount does not necessarily mean that the invoice of *Kitchen et al.* includes such information. Thus, the idea that the primary reference teaches such customer invoice information is speculative, at best. Speculation is not a proper basis on which to conclude obviousness, within the meaning of 35 U.S.C. § 103.

Further, the Office Action relies on *Smith et al.* to fill in the substantial gaps of *Kitchen et al.* However, *Smith et al.* describes, in general terms, accounting and accounting software packages. There is absolutely no disclosure therein of employing an early payment discount in an "on-line billing system," as claimed. *Smith et al.* does recite general teachings of "giving discounts for early payments," "granting discounts for early payments," and advice to "[l]ook for

programs that automatically identify and calculate discounts for early payment." However, the reference is **non-enabling** as to how to perform these recited functions. As such, it is an improper reference with regard to a rejection under 35 U.S.C. § 103 because while it may recite general ideas and desires, such as "granting discounts for early payments," it fails to teach anyone skilled in the art exactly how to achieve the desired result or any specific manner of "granting discounts for early payments." Moreover, the artisan would not have been led in any way to modify *Kitchen et al.* to provide for a discount for early payment because neither of the applied references provides any teaching as to how to perform this function.

While *Smith et al.* may suggest early payment discounts to customers, **in general**, and even that one should look for programs "that automatically identify and calculate discounts for early payment," such teachings do not suggest the very specific features of the claims, e.g., "calculating a discount amount **based upon an invoice amount**" (it is noted that the reference makes no mention about what the discount is taken on or from), "**displaying** the calculated discount amount," and "**selectively receiving a payment input that authorizes a payment** according to the calculated discount amount in advance of the invoice due date" (claim 1); or "calculating an **expiration date**" and "**displaying the expiration date**" (claim 3); or "**determining whether criteria for receiving the discount amount are satisfied for a corresponding customer**" and then "**selectively applying** the discount amount **based upon the determining step**" (claim 5); or wherein the criteria include "**maintaining a zero outstanding charge** by the customer" (claim 6); or "**executing an electronic fund transfer** in response to the step of **selectively receiving the payment input**" (claim 7). These features, and similar features recited in other groups of claims, are clearly not taught or suggested by either one of *Kitchen et al.* or *Smith et al.*

With regard to the system and apparatus claims, since *Smith et al.* discloses no hardware, or any specific means (e.g., "a communication interface," a "processor coupled to the communication interface," and "a server apparatus" of claim 8), for performing the generally disclosed calculation of "discounts for early payment," the combination of *Kitchen et al.* and *Smith et al.* clearly cannot suggest the instant **system** and **apparatus** claims.

Further, the Office Action does not provide the requisite motivation for making the proposed combination of *Kitchen et al.* and *Smith et al.* The explanation set forth in the Office Action, i.e., "to improve cash flow and build good will among customers," is an advantage recognized by Applicant but there is no reason apparent from the teachings of either of the applied references to have calculated a discount amount based on any invoice amount in *Kitchen et al.*, to have displayed the calculated discount amount in the system of *Kitchen et al.*, and have selectively received a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice due date, in *Kitchen et al.* *Kitchen et al.* simply does not provide for these features and a general suggestion in *Smith et al.* of early payment discounts does not provide the motivation for the skilled artisan to have substantially modified *Kitchen et al.* to provide for these claimed features.

The Office Action cites *KSR v. Teleflex*, 127 S.Ct. 1727, 82 USPQ2d at 1396 (2007) as evidence that the teaching-motivation-suggestion (TSM) test for obviousness is incompatible with obviousness standards under 35 U.S.C. § 103 when TSM is applied as a rigid and mandatory formula. *KSR* may have eased the burden on the PTO in reaching a conclusion of obviousness via a less strict TSM test, but even under *KSR*, there must still be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. The generality, "to improve cash flow and build good will among customers," set forth in the Office Action as a rationale for making the combination of references, fails to provide such **articulated**

reasoning with some rational underpinning to support the legal conclusion of obviousness. As such, the combination of *Kitchen et al.* and *Smith et al.* is improper.

Moreover, with regard to claims 4, 11, 18, 25, 32, and 39, the Office Action acknowledges that the combination of *Kitchen et al.* and *Smith et al.* still fails to teach or suggest the feature of calculating "another discount amount being associated with another expiration date" and "automatically applying either of the discount amounts based upon time of receipt of the payment input" (e.g., claim 4). Therefore, the Office Action relies on the *Business Owner* article to supply these features. In particular, the Office Action relies on page 17 of *Business Owner*. In the portion of that page, labeled "#2. Promote early payment discounts," there is a disclosure of opting to provide a discount of "2% within 10 days, net 30" with some discussion as to how this represents a certain interest rate return to the customer and a certain cost of capital to the vendor. At the end of that portion of the reference, there is a listing of interest rate savings for "other typical early-payment formulas," including "1%/10 days, net 30=18.2%, 2%/10 days, net 45=20.8%, and 2%/10 days, net 60=14.6%." However, while these are examples of different discounts, there is no disclosure or suggestion, within *Business Owner*, of "a discount amount" **and "**another discount amount," as required by the claims. An example in the reference of using either a 1% or 2% early payment discount is clearly no disclosure or suggestion of calculating two different discount amounts, based upon different percentages of the invoice amount, wherein the different discount amounts are **associated with different expiration dates**, and then, "**automatically applying either of the discount amounts based upon time of receipt of the payment input**," as claimed.

Accordingly, since none of the applied references discloses or suggests the features of claims 4, 11, 18, 25, 32, and 39, regarding the use of claimed discount amounts, these claims are separately patentable from the claims upon which they depend.

Accordingly, the Examiner is respectfully requested to withdraw the rejections of claims 1-42 under 35 U.S.C. § 103.

Therefore, the present application, as amended, overcomes the objections and rejections of record and is in condition for allowance. Favorable consideration is respectfully requested. If any unresolved issues remain, it is respectfully requested that the Examiner telephone the undersigned attorney at (703) 519-9952 so that such issues may be resolved as expeditiously as possible.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 504213 and please credit any excess fees to such deposit account.

Respectfully Submitted,

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